



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
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TDCI APPROVES WORKERS' COMP FILING

NO INCREASE IN LOSS COST FOR JULY 2005

Nashville, TN.- Tennessee Commerce and Insurance Commissioner Paula A. Flowers approved an average 3.3% decrease in loss costs for workers' compensation insurance, that became effective July 1, 2005 for new and renewal policies.

A "loss cost" is a major element in the premium calculation for each individual employer, but not the only one. Individual employers' premium rates are affected by the insurance company's business cost, the employer's own loss experience, and other factors that can either reduce or increase the premium level. As a result, an amended loss cost in a classification will not necessarily translate into the same increase or decrease for everyone.

"This decrease reflects the implementation of the medical fee schedule required by changes in the law," said Commissioner Paula Flowers. "This is good news for Tennessee workers and employers."

The medical fee schedule was created as a part of the 2004 Workers' Compensation Reform Act. It is comprehensive and applies to all health care providers treating workers' compensation injuries where the date of service is on or after July 1, 2005.

The fee schedule rates apply statewide and do not vary for urban or rural providers. The medical fee schedule will be reviewed and updated annually.

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